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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF ARIZONA**

<p>In re:</p> <p>JAMES A. BRUNO and SHELLY D. BRUNO,</p> <p style="text-align: center;">Debtors.</p> <hr/> <p>MAUREEN GAUGHAN, CHAPTER 7 TRUSTEE,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">vs.</p> <p>JAMES A. BRUNO and SHELLY D. BRUNO,</p> <p style="text-align: center;">Defendants.</p>	<p>Chapter 7</p> <p>Case No. 2-09-bk-06952-SSC</p> <p>Adv. No. 2-10-ap-00102-SSC</p> <p><b>STATEMENT OF FACTS IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT</b></p>
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Maureen Gaughan, the duly appointed Chapter 7 Trustee (“Plaintiff” or “Trustee”), by and through undersigned counsel, hereby submits this *Statement of Facts in Support of Motion for Summary Judgment* against James and Shelly Bruno (“Defendants” or “Debtors”).

1. On April 9, 2009, the Debtors filed a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code (“Petition Date”). See Bankruptcy Case No. 2:09-bk-06952-SSC, attached hereto as **Exhibit “A”**, Docket Entry No. 1.

2. Maureen Gaughan is the duly appointed and qualified Chapter 7 Trustee. See **Exhibit “A”**.

3. On April 10, 2009, the Debtors filed their Schedules and Statement of Financial Affairs. See **Exhibit “A”**, Docket Entry No. 5.

1           4.     On July 9, 2009, the Trustee filed a Motion to Extend Deadline for Filing Section  
2 727 Objection to Discharge and Motion to Extend Time to File Complaint to Determine  
3 Dischargability of Debtors Pursuant to 11 U.S.C. § 523. See **Exhibit “A”**, Docket Entry No.  
4 46.

5           5.     On July 17, 2009, this Court entered an Order Granting Application for  
6 Fed.R.Bankr.P. 2004 Examination. See **Exhibit “A”**, Docket Entry No. 59.

7           6.     On July 27, 2009, the Trustee filed a *Notice of Deposition and Request for*  
8 *Production of Documents* (“Notice”). See **Exhibit “A”**, Docket Entry No. 69.

9           7.     On September 4, 2009, the Trustee filed an *Application for Order to Show Cause*  
10 for the Debtors failure to comply with this Courts Order of July 17, 2009. See **Exhibit “A”**,  
11 Docket Entry No. 83.

12           8.     On September 10, 2009, this Court entered an *Order to Show Cause* and set a  
13 hearing in the matter for October 7, 2009. See **Exhibit “A”**, Docket Entry No. 90.

14           9.     On October 5, 2009, the Trustee filed a *Motion to Continue* the hearing set for  
15 October 7, 2009, and this Court subsequently entered an *Order Continuing the Hearing* to  
16 November 10, 2009. See **Exhibit “A”**, Docket Entries No. 97 and 100.

17           10.    At the November 10, 2009 hearing, the Court agreed that the Debtors must  
18 turnover the previously requested documents. See November 10, 2009 Minute Entry, attached  
19 hereto as **Exhibit “B”**.

20           11.    On November 16, 2009, this Court entered the *Order Compelling Turnover* of  
21 documents relating to the Debtors’ Costa Rica Property by November 30, 2009 (“Turnover  
22 Order”). See **Exhibit “A”**, Docket Entry No. 109.

23           12.    On June 28, 2010, the Trustee filed a Notice of Deposition and Request for  
24 Production of Documents for James Bruno, as the managing member of James Bruno  
25 Enterprises, LLC. See **Exhibit “A”**, Docket Entry No. 119.

26           13.    On December 7, 2010, the Trustee filed a Continued Notice of 2004 Examination  
27 and Request for Production of Documents. See **Exhibit “A”**, Docket Entry No. 127.

28           14.    The Debtors failed to provide the requested documents and failed to appear at the

1 continued deposition. See **Exhibit “A”**, Docket Entry No. 131.

2 15. The Debtors acknowledged they entered into an agreement with Mike Bragg to pay  
3 \$2,200,000.00 for approximately 11 Hectares of raw land in Costa Rica. See Defendant’s  
4 Answer in Adversary case no. 2:09-ap-01145-SSC, attached hereto as **Exhibit “C”** (page 9,  
5 lines 8-18).

6 16. The Debtors, with the assistance of a local attorney, incorporated Kingsland  
7 Developments Inc., S.A., to hold title to the raw land in Costa Rica. See **Exhibit “C”** (page 9,  
8 lines 12-23).

9 17. The Debtors were officers of Kingsland Developments Inc., S.A. See **Exhibit “C”**  
10 (page 9, lines 23-32, page 10, lines 1-8).

11 18. The Debtors failed to list their interest in Kingsland Developments, S.A. on their  
12 Schedules. See Debtors’ Schedules, attached hereto as **Exhibit “D”**.

13 DATED February 17, 2011

14 **ALLEN, SALA & BAYNE, PLC**

15  
16 /s/ DMB 20368

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20 COPIES of the foregoing mailed on  
21 February 17, 2011 to:

22 Maureen Gaughan  
23 P.O. Box 6729  
Chandler, AZ 85246  
*Chapter 7 Trustee*

24 United States Trustee  
25 230 North First Avenue, Ste 204  
Phoenix, AZ 85003-1706

26 James and Shelly Bruno  
27 2521 S. Dragoon Dr.  
Chandler, AZ 85286

28 /s/ Tammie R. Holm